

Abstract of the Disclosure

A method for valuing large portfolios of publicly owned patents is disclosed. The method includes measuring the diversity and the depth of the portfolio's contents. Density or heterogeneity consists of calculating the ratio of the number of patents to the number of patented technology classes to which the patents have been assigned by the United States Patent and Trademark Office. The depth consists of the ratio of the number of patents with referencing an original patent as prior art through two generations of referencing patents. A base line for evaluation can be the utility patents awarded by the U.S. Patent and Trademark Office for the period of 1976-2000 and over time as the heterogeneity and depth increase, the value of the portfolio increases.